

63-8956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Reassignment of Comptroller Functions

1. This memorandum proposes reassignment of responsibilities and authorities now vested in the Comptroller. Approval action by the Director of Central Intelligence is recommended in paragraph 4.

2. The Agency's expanded responsibilities and its complex operating relationships make it increasingly necessary that management policies be coordinated and controlled at the highest practicable level in the command structure. This is particularly true with respect to budgetary policy, program review, and the allocation of manpower and financial resources. Historically the Comptroller has been responsible for management of the budget, for development of financial policy, and for day-to-day fiscal and accounting operations in support of Agency activities. I question however, as a practical matter, whether a Comptroller can be expected to deal authoritatively with the competing demands of major components and make--and enforce--the necessary hard decisions. I question too whether it is necessary or desirable to combine under one head the management policy and control functions plus the responsibility for day-to-day operations. The determination of management policy and the exercise of controls must, I believe, be functions of command, supported by staff assistance. The execution of policy decisions should take place through the Agency's operating mechanisms. In other words, I believe the time has come to reorganize the functions of the Comptroller to accord more realistically with the present-day facts of Agency life, and the reassignment of the present Comptroller affords a practical occasion on which to do it.

3. I suggest that the Comptroller policy and control functions should be assigned to the Executive Director. He exercises broad directive and approval authority under existing delegations and to assign to him responsibility for budgetary and financial policy, with the review and control functions pertaining thereto, would be a logical development of his role.

Robert Joseph

He would be supported by a Budget Division, a Manpower Control Staff, and a Program Analysis Staff. I suggest further that fiscal and accounting operations throughout the Agency structure constitute a major element of support and as such should be assigned to the Deputy Director for Support.

4. If you approve these proposals, I recommend that you sign the attached Notice which will put them into effect.



Marshall S. Carter
Lieutenant General, USA
Deputy Director

25X1

Attachment
Proposed Notice

3001

CONFIDENTIAL

THE EXECUTIVE DIRECTOR

The Executive Director is the senior non-statutory officer of the Agency and acts for or in the absence of the Director and the Deputy Director in exercising his directive and approval authority. He coordinates component activities and ensures necessary action by the proper component on decisions of the Director and the Deputy Director. He develops budgetary and financial policies of the Agency and is responsible for program evaluation, financial analysis, manpower controls, and the preparation and execution of the Agency budget. He assures that all components are kept advised of policy decisions or intra-governmental actions affecting them, and he reviews all papers requiring action by the Director or Deputy Director.

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NATIONAL SECURITY ACT OF 1947

TITLE IV

Promotion of Economy and Efficiency Through Establishment of Uniform
Budgetary and Fiscal Procedures and Organizations

Comptroller of Department of Defense

Sec. 401. (a) There is hereby established in the Department of Defense the Comptroller of the Department of Defense, who shall be one of the Assistant Secretaries of Defense.

Comptroller
of Department
of Defense.

(b) The Comptroller shall advise and assist the Secretary of Defense in performing such budgetary and fiscal functions as may be required to carry out the powers conferred upon the Secretary of Defense by this Act, including but not limited to those specified in this subsection. Subject to the authority, direction, and control of the Secretary of Defense, the Comptroller shall--

Establishment.
Duties.

(1) supervise and direct the preparation of the budget estimates of the Department of Defense; and

(2) establish, and supervise the execution of--

(A) principles, policies, and procedures to be followed in connection with organizational and administrative matters relating to--

(i) the preparation and execution of the budgets,

(ii) fiscal, cost, operating, and capital property accounting,

(iii) progress and statistical reporting,

(iv) internal audit, and

(B) policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

(3) establish uniform terminologies, classifications, and procedures in all such matters.